

## Message Text

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PAGE 01 LIMA 04416 221447Z  
ACTION EB-08

INFO OCT-01 ARA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03  
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STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 /124 W

-----078224 221500Z /42

R 221419Z MAY 78  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC 120  
INFO USMISSION GENEVA

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PASS STR

GENEVA FOR MTN DEL

E.O. 11652: N/A  
TAGS: ETRD MTN PE  
SUBJ: MTN: BILATERAL CONSULTATION WITH PERU

1. SUMMARY: IN BILATERAL MTN CONSULTATION, US DEL REVIEWED PERU'S INTEREST IN US OFFERS AND NOTED IMPORTANCE OF PROMPT GOP REACTION TO US INDICATIONS OF EXPORT INTERESTS. GOP REPRESENTATIVES DESCRIBED IMPORTANCE OF TRADE LIBERALIZATION MEASURES RECENTLY UNDERTAKEN BY GOP, AND UNDERTOOK TO STUDY US REQUESTS, WHILE NOTING INTEREST IN IMPROVEMENTS IN US OFFER. END SUMMARY.

2. US DEL (KNEPPER, ROSENBAUM) ACCOMPANIED BY EMBOFFS MET WITH GOP OFFICIALS INCLUDING ING. VICTOR JOY WAY, DIRECTOR GENERAL OF FOREIGN COMMERCE, THURSDAY, MAY 18, TO REVIEW STATUS OF MTN, AND PERUVIAN INTERESTS IN US OFFERS. US DEL REEMPHASIZED IMPORTANCE OF REACHING SUBSTANTIVE MTN AGREE-  
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PAGE 02 LIMA 04416 221447Z

MENTS BY MID-JULY. PRESENT US TARIFF OFFER INCLUDED OVER \$93 MILLION IN PERUVIAN 1976 EXPORTS TO US. MAINTENANCE OF US OFFER IS DEPENDENT UPON CONTRIBUTIONS TO TRADE LIBERALIZATION BY PRINCIPAL BENEFICIARIES OF US OFFER.

3. GOP REPRESENTATIVES NOTED IMPORTANCE TO US EXPORTS OF RECENT IMPORT LIBERALIZATIONS WHICH HAD ELIMINATED



BOTH REQUIREMENT FOR IMPORTERS TO SUBMIT ANNUAL IMPORT PROGRAMS AND TO SEEK SPECIFIC FOREIGN EXCHANGE ALLOCATIONS. PERU REPS NOTED THAT BOTH EC AND JAPAN WERE LOOKING WITH FAVOR ON THESE RECENT DEVELOPMENTS. CONCERNING PRESENT GOP IMPORT SYSTEM, PERU REPRESENTATIVES OBSERVED THAT IMPORT LICENSING WAS "AUTOMATIC", IF PROSPECTIVE IMPORT WAS ON POSITIVE LIST OF ELIGIBLE IMPORTS (E.G. LUXURY IMPORTS EXCLUDED) AND EITHER NOT PRODUCED OR NOT PRODUCED IN SUFFICIENT QUANTITY WITHIN THE COUNTRY. GOP REPS ASKED THAT THESE MEASURES BE EVALUATED AND TAKEN INTO ACCOUNT BY US IN JUDGING VALUE OF GOP CONTRIBUTIONS TO TRADE LIBERALIZATION. GOP REPS NOTED THAT THIS LIBERALIZATION SHOULD BE OF INCREASING VALUE TO US AS GOP BOP SITUATION IMPROVED.

4. GOP REPS NOTED THAT THEY WERE REVIEWING US INDICATIONS OF EXPORT INTERESTS PREVIOUSLY TABLED IN TROPICAL PRODUCTS NEGOTIATIONS, GROUP AGRICULTURE AND MARKETING ACCESS INTERESTS IN NON-AGRICULTURAL AREAS. GOP REPS NOTED THAT INFORMATION ON US REQUESTS, INCLUDING CURRENT TARIFFS AND TRADE VALUES, WOULD BE FORWARDED TO GOP REP IN GENEVA. GOP REPS WOULD ALSO STUDY POSSIBLE ADDITIONAL PERUVIAN CONTRIBUTIONS TO TRADE LIBERALIZATION, NOTING THAT ANDEAN GROUP COMMON EXTERNAL TARIFF PROVIDED LIMITS TO GOP ACTIONS ON SPECIFIC PRODUCTS. (COPY OF ANDEAN PACT SECRETARIAT PROPOSALS ON CXT BEING HAND LIMITED OFFICIAL USE

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PAGE 03 LIMA 04416 221447Z

CARRIED TO WASHINGTON BY ROSENBAUM.) PERU DEL ALSO NOTED THAT THEY WERE INTERESTED IN IMPROVEMENTS IN US OFFERS, WHICH THEY WOULD NOTIFY IN CONJUNCTION WITH INDICATIONS OF POSSIBLE CONTRIBUTIONS ON PARTICULAR PRODUCTS ON WHICH THE US HAD INDICATED THAT PERUVIAN CONTRIBUTIONS WOULD BE OF INTEREST. AMONG IMPROVEMENTS MENTIONED WERE DEEPER REDUCTIONS ON TSUS 301.50, COTTON YARNS, AND 300.20, LONG STAPLE COTTON. ON TSUS 300.15, MEDIUM LONG STAPLE COTTON, OF WHICH PERU IS SECOND US SUPPLIER, PERU WILL CONSIDER JUSTIFYING REQUEST WHILE INDICATING POSSIBLE CONTRIBUTIONS IT IS PREPARED TO MAKE.

5. US DEL WELCOMED POSITIVE PERUVIAN APPROACH TO MTN, REITERATING IMPORTANCE OF PROMPT INDICATIONS OF POSSIBLE AREAS OF CONTRIBUTIONS, NOTING THAT PERU AS GATT MEMBER COULD ADD ADDITIONAL CONCESSIONS TO THOSE ALREADY INCLUDED IN ITS GATT SCHEDULE.

6. COMMENT: PERU REPRESENTATIVES APPROACH TO CONSULTATIONS AND US INDICATIONS OF EXPORT INTERESTS APPEARED VERY PRAGMATIC, ESPECIALLY GIVEN CURRENT PRECARIOUS BOP SITUATION. IT REMAINS TO BE SEEN IF THESE PROFESSIONS OF NEGOTIATING



INTEREST ON BEHALF OF FOREIGN TRADE OFFICIALS CAN BE  
TRANSLATED INTO EFFECTIVE PARTICIPATION AT THE BAR-  
GAINING TABLE, GIVEN THE CONSTRAINTS OF OTHER GOP  
AGENCIES AND ANDEAN PACT PARTNERS.

7. ABOVE DICTATED BY KNEPPER PRIOR TO  
DEPARTURE. EMBASSY NOTES THAT DESCRIPTION OF PRESENT  
PROCEDURES IN PARA 3 IS ACCURATE IN THE CASE OF  
COMMERCIAL IMPORTERS. MEMBERS OF THE INDUSTRIAL  
SECTOR IMPORTING CAPITAL GOODS MUST STILL SUBMIT AN  
ANNUAL IMPORT PROGRAM. LIMA A-12 (2/15/78) DESCRIBES  
RECENT PROCEDURAL CHANGES IN DETAIL.

DECON: 5-19-79. PREEG  
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PAGE 04 LIMA 04416 221447Z

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NNN



## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Review Markings:**  
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